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SENATE BILL 1068  
By Burks

AN ACT to revise calculation of present use value and rollback taxes under the Agricultural, Forest, and Open Space Land Act of 1976, and to amend Tennessee Code Annotated, Section 67-5-1005 and 67-5-1008.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated Section 67-5-1005 is amended by substituting the words "March 1" for the words "April 1" in subsection (a), and by substituting the words "agricultural land" for the words "farm land" in subsection (b).

SECTION 2. Tennessee Code Annotated, Section 67-5-1006 is amended by substituting the words "March 1" for the words "April 1" in subsection (a).

SECTION 3. Tennessee Code Annotated, Section 67-5-1007, Section 67-5-1007 is amended by substituting the words "March 1" for the words "April 1" in subsection (c).

SECTION 4. Tennessee Code Annotated, Section 67-5-1008 is amended by deleting subsection (c)(1) and substituting instead the following:

(c)(1) A parcel of land classified by the assessor as agricultural, forest or open space land under the provisions of this part shall be valued by dividing three (3) into the sum of: (i) two times the use value as defined in this subsection, plus (ii) the farm land value as defined in this subsection. The rate of increase in per-acre present use values as determined under this subsection shall not exceed a factor measured by the number of years since the last general reappraisal or updating of values in the county, times seven percent (7%).

SECTION 5. Tennessee Code Annotated, Section 67-5-1008 is further amended by deleting subsection (c)(3) and substituting instead the following:

(c)(3) Farm land value shall be determined by the division of property assessments based on farm sales from areas of the county least influenced by commercial, industrial, residential, recreational or urban development, the potential for such development, or any other speculative factors.

SECTION 6. Tennessee Code Annotated, Section 67-5-1008 is further amended by substituting the words "farm land values" for the words "values under the rural land schedule" in subsection (c)(4) and by substituting the words "division of property assessments" for the word "assessor" in subsection (c)(4).

SECTION 7. Tennessee Code Annotated, Section 67-5-1008 is further amended by deleting subsection (d)(2) and substituting instead the following:

(d)(2) The amount of tax savings calculated under this subsection shall be the rollback taxes due as the result of disqualification or withdrawal of the land from classification under this part. Rollback taxes shall be payable from the date written notice is provided by the assessor, but shall not be delinquent until March

1 of the following year. When the assessor becomes aware that property is no longer eligible for classification under this part, the assessor shall give written notice of the rollback assessment to the property owner, the seller of land disqualified following a sale, and the tax collecting officials. Rollback taxes shall be a first lien on the disqualified property in the same manner as other property taxes, and shall also be a personal responsibility of the current owner or seller of the land as provided in this part. The assessor may void the rollback assessment if it is determined the assessment was imposed in error. Liability for rollback taxes, but not the property values, may be appealed to the state board of equalization by March 1 of the year following the notice by the assessor. Property values, though fixing the amount of rollback taxes, may only be appealed as otherwise provided by law.

SECTION 8. This act shall take effect upon becoming law, the public welfare requiring it, and shall be effective for tax year 2001 except as to Sections 1 through 3. Sections 1 through 3 shall take effect on January 1, 2002.